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MONTANA LOCAL GOVERNMENT
MODERNIZATION: A HANDBOOK

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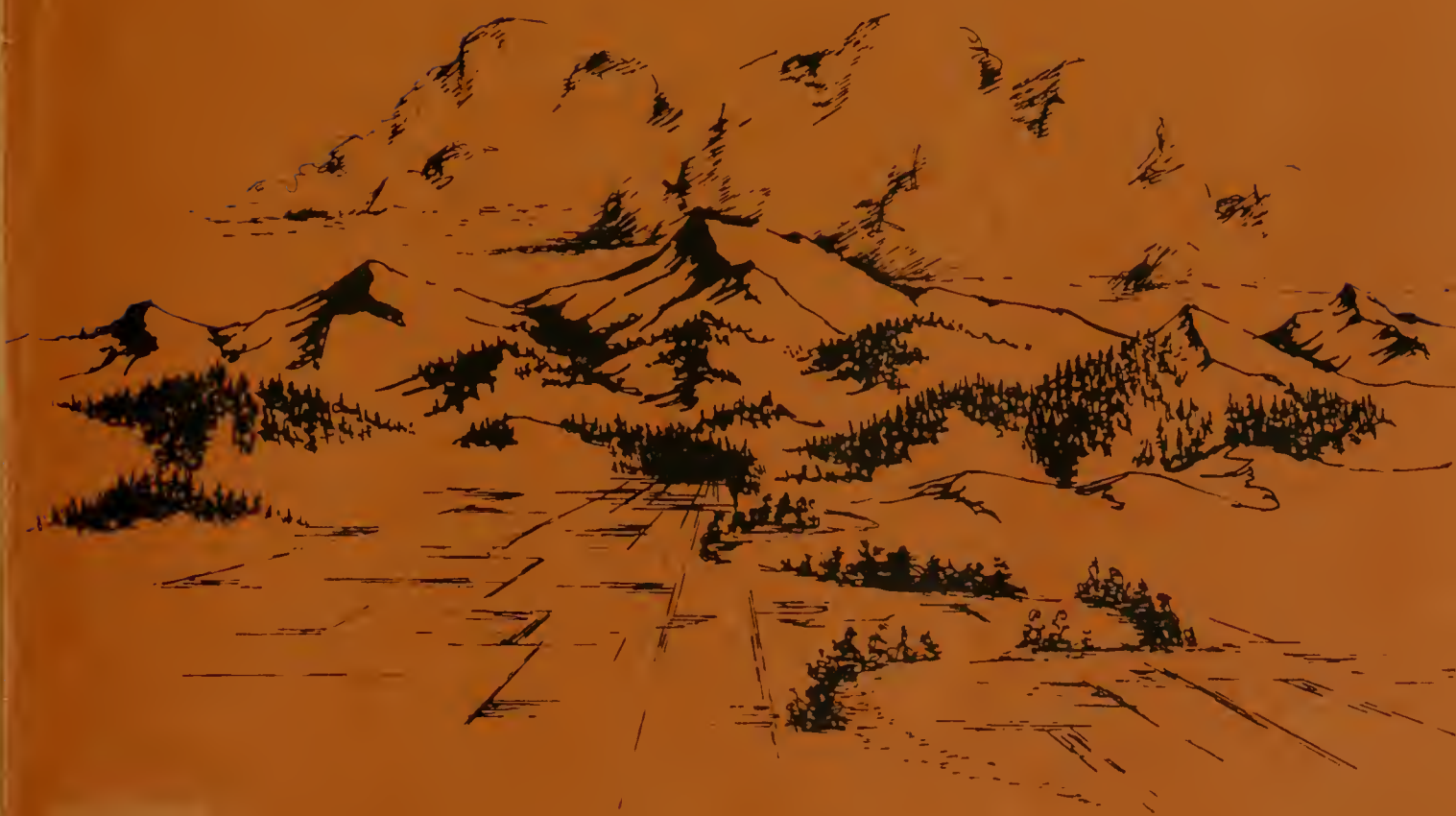
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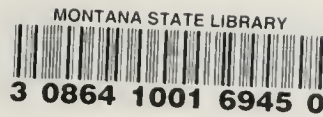
by
Robert Bellandi



Resources Development Internship Program
Western Interstate Commission for Higher Education

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A HANDBOOK:
MONTANA LOCAL GOVERNMENT MODERNIZATION

by
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INTRODUCTION

Montana is a large and diverse state with a small and diverse population. Since territorial days, Montanans have been involved in operation of their government most frequently on the local level. Some of the systems of local government that have been used in Montana possibly could be replaced by different and newer methods. Other approaches to local government, such as those described in this Handbook, may be able to result in better service by government to the people and more savings to the taxpayer. Local government officials throughout the state have expressed the hope for yet more reform in Montana local government to both the Legislature and the Constitutional Convention. With more authority and more options in operating methods open to them, local governments will be able to be more responsive to the demands of their citizens.

This Handbook outlines innovations that have been tried by a few Montana communities. It is hoped that by sharing their experiences with the state's local government officials and other interested persons, Montana communities will be led to examine their present operation and find where innovation is needed.

CHAPTER ONE

THE COUNTY MANAGER

Any of Montana's 56 counties may choose to entrust the administration of their government to a manager. The manager is an executive official appointed by the Board of County Commissioners who are, of course, elected by the voters of the county.

The county manager plan was designed to bring more efficiency and business-like operation to county government. Under the Montana county manager law, counties need not elect numerous officials to offices as they must under the county commissioner plan statute. A 1934 amendment to the Montana Constitution allows consolidation of duties of county offices, but this does not necessarily lead to economy. The different departments of county government still act as independent agencies and because of this, waste and inefficiency can occur.

The county manager plan can centralize the functions of county offices and co-ordinate the operation of these offices. When they operate together, they are generally more economical and serve the public better. Efficiency and economy are ideal for all units of government, but as will be shown in the case study of Petroleum County's manager system, this system of government is particularly well suited to the needs of the residents of this small rural county. And, the manager plan is working quite well in Dade County (Miami), Florida, a densely populated and fast-growing metropolitan area. In fact, there is an increasing trend in metropolitan counties to use the services of an appointed or elected county executive.*

One of the most desirable aspects of the manager plan is that the board of county commissioners can assign to the

*Daniel R. Grant and H. C. Nixon, *State and Local Government in America* (Boston: Allyn and Bacon, Inc, 1969) pp. 422-3.

manager the administration of routine functions of government. At the same time the board may outline general policies it wishes the manager to follow in his administration as would a board of directors for a corporation. Thus, the board retains its legislative and policy-making functions.

There are definite advantages to the manager plan:

(1) the manager is an effective co-ordinating executive;

(2) since there are only about a third of the offices filled by elections under the manager plan than under the commissioner system, these fewer and consequently more important posts should attract more attention from the voters and more qualified people as candidates; and,

(3) some argue that the voters have more control over their government because responsibility is centralized in the board of commissioners and manager--not diffused through a dozen elected officials.

The Montana County Manager Statute

Montana statutes allow counties to establish the county manager form of government (Revised Codes of Montana 1947, Sections 16-3902 to 16-3922). County manager government is intended to bring expert and professionally capable people into the administration of local government. Nationally it has been successful in this regard because county manager positions have generally been able to attract dedicated individuals who have been trained in public administration and are experienced in local government affairs.

If the people of a county wish to adopt the county manager form of government, the initiative rests with them. They should circulate a petition within the county, and when it has been signed by 20 percent or more of the county's eligible voters, it is filed with the board of county commissioners. The petition requests that a referendum be held asking all the voters of the county if they wish to convert their government to the manager plan. The change is effective if a majority of the voters approve the proposition. The manager plan can be abandoned by the same procedure.

The board of county commissioners hires a professional manager who cannot be an elected official, and he handles

county administration at the direction of the board. None of the present county officials will lose their jobs in the transition; after the expiration of their terms in office, though, they will be assigned positions by the county manager.

The county manager works for the board of county commissioners. They hire him, and they may fire him when they wish. In effect, then, the manager faces election by the board every day. The manager is responsible to the board for proper administration of the county's affairs.

The manager himself has control over the revenues and expenditures of the county. He appoints directors to head different county departments; these directors appoint their staffs. The manager may also remove these directors. Additionally, the manager is responsible for the enforcement of all the resolutions and orders of the board of commissioners.

The manager prepares the annual budget in accord with resolutions and appropriations made by the board. He then presents the budget to the board for its approval, or they may make changes. The board may guide the manager's actions in all other matters, too. The board generally does little more than review routine administrative actions; however, in specific instances and to outline county policy, the board will set up guidelines for the manager.

Advantages of the County Manager Plan

The county manager form of government offers what many critics of local government have pointed out is lacking on the county level, and that is a strong executive. It is expected that the county managers will provide more directed and effective leadership for county governments.

It has been found that the usual commissioner form of county government scatters authority and responsibility too widely, and the result is ineffective government. Under this commission system Montana law specifies that the voters of the county must elect not only the county commissioners but a wide range of other county officers also. These include sheriff, assessor, county attorney, clerk and recorder, auditor, treasurer, clerk of the district court, public administrator, and coroner. These officials are not directly responsible to the board of commissioners, and it is therefore, difficult for the board to manage or co-ordinate them. Few unified county-wide actions can be taken, and the result is

wasteful and ineffective government. In the long run county residents lose because they do not receive the best service their tax dollar is capable of returning.

The county manager system unifies authority and responsibility. Voters elect only the commissioners and a county attorney. Sometimes the charge is leveled that it is not democratic. But, this argument is questionable because the manager is fully accountable to the board, and the board of commissioners are democratically elected and, therefore, accountable to the voters. Furthermore, the manager does not formulate county policy--the board does--he only carries out the policy. The justices of the United States Supreme Court are similarly appointed. The President, who is elected by the people, chooses judges whom he expects to carry out his administration's policy. However, the President may not remove a justice if he is displeased by his actions on the bench; on the other hand, the board of county commissioners may remove the county manager at any time.

Of course, it cannot be said that the manager plan is suitable for all counties. That is as unrealistic as saying that the commissioner form now used in most Montana counties is suitable for all counties. The manager plan is an alternative form of county government. It should be studied by county commissioners and voters to see if it would lead to greater economy and efficiency in their particular county, and it should be accepted or rejected on these grounds.

Petroleum County: A Case Study

In Montana, Petroleum County is unique: it is Montana's newest county, formed in 1924 from the eastern part of Fergus County; it is the smallest county with a 1970 population of 675; and, it is the only county in the state presently to be operating under the manager plan. Residents of Petroleum County are maintaining their county government against odds that would have forced it to consolidate with another county had they not found ways to economize. In the decade of the 1960s the county suffered a population loss of nearly 25 percent. And, about 51 percent of the county's land is owned by either the federal or state governments; the resulting low valuation for tax purposes, averaging only \$1,650,000 from 1960 through 1965, simply makes economy mandatory.

The early 1920s saw an oil boom in eastern Fergus County. The people there decided to form a new county and named it after the petroleum that brought them wealth. Most of the

oil payroll is gone, and ranching and farming producing livestock, grain and hay now provide the livelihood of the county. Winnett, the county seat, has a population of 271.

Petroleum County faced a crisis in the early 1940s which led to the adoption of the manager plan. They found it necessary to elect the number of county officers required under Montana law for counties under the commissioner plan. But, the law also prohibited the county from levying more than 16 mills to pay salaries. The county could not pay for its officials. Petroleum County consolidated some offices, but it found it still could no longer afford the commissioner plan, and the county residents filed a petition with the board of county commissioners requesting that the question of whether or not to adopt the county manager plan be put to the voters at the next election. On July 21, 1942 the voters authorized the adoption of the manager plan. In January 1943 the county began operation under the new plan. Residents of this county have shown that they favor nearly any move in government operation that will result in saving money. They do not want to lose their county through a consolidation, and they have taken steps--the manager plan, consolidation of offices--to insure that they do not lose their county.

Petroleum County government in 1971 is compact. There are four county officials in addition to the three county commissioners: the manager, sheriff, clerk of the court, and the clerk and recorder. The manager also acts as superintendent of schools, treasurer, assessor, and public administrator. The sheriff performs duties of the coroner and stock classifier and aids with assessment, reclassifying, and valuation. The two remaining offices could possibly be merged and performed by one person. Since the county is small, no deputy officials are needed. Other county employees are those on the road crew, two full time men and one part time man, and some part time student help is hired in the summer; the sheriff maintains the courthouse. The county manager estimates that about ten salaries are saved under the present system that would have to be paid under the commissioner plan. And, since the manager can handle many of the routine functions of county government, the board needs to meet less frequently, thus giving added savings to the county.

Officials from surrounding counties also work in Petroleum County and are paid partial salaries for their services. The welfare officer is from Musselshell County, and Petroleum County uses the services of a probation officer and the jail of Fergus County. Since no lawyer now resides in Petroleum County, the board appointed the Fergus County attorney to act in that position for its residents. (For a further explanation of joint powers and contracts by local governments, see Chapter 4.)

The county, under the leadership of the previous manager, succeeded in consolidating all the school districts into one. Such a move has resulted in savings to the county and better educational facilities for county students. At one time the county had a case, not unheard of in Montana before, of maintaining a school district for a single student.

When first formed in the booming 1920s the county went into debt to expand services and build roads. However, the 1930s brought depression compounded by drought, and assessed valuation declined by about one half only twenty years after the formation of the county. When the manager plan was first established, county government administrative costs dropped from \$15,000 in fiscal 1942 to \$11,000 in fiscal 1946. In 1942 the county had \$21,000 in warrants and \$40,000 in bonds outstanding with only \$23,000 in its general fund and practically no cash balance. Four years later, in 1946, the county had saved substantial amounts of money and was able to retire all bond indebtedness while leaving only \$131.00 in outstanding warrants. At the end of fiscal 1956, still no bonds were outstanding; \$540 of warrants were outstanding which were quite easily covered by the \$43,500 cash in the warrant fund.

Petroleum County in 1967-68 spent the least amount of money of all Montana counties on the administrative offices of district court, sheriff, county superintendent of schools, treasurer, and county commissioners. In the same time period for the administrative offices of assessor, clerk and recorder, and county attorney Petroleum County spent less than all counties, except Treasure County and still far less than most counties. These savings were due in part to the consolidation of county offices that Montana law permits, and in large part to the efficiency of the county manager plan. Consolidation of offices helps economize, but the manager plan helped to simplify record keeping in county government. The manager plan secured the centralized purchasing of supplies on a bid basis; and importantly, it co-ordinated the efforts of the offices. Centralization of county business is maintained because the county manager statute separates county operation into only three departments whose heads are appointed by the manager: department of finance, department of public works, department of public welfare. The manager may himself head one or more departments. In a large county this would be impossible for the manager, but in Petroleum County is easily done.

The residents of Petroleum County are quite satisfied with the manager form of government. In 1948 an election was held to determine if the county residents wanted to return to the

commission form. Voters rejected the proposal two to one. The previous Petroleum County manager and the present one support the manager system enthusiastically. Under these managers, the residents have been quite pleased with county government. However, in the past a few of the county's managers were not equal to their task, and the government suffered. Again we see that government depends on both the system and the people working in the system. The present county manager has worked in Petroleum County government for more than twenty years; she was well acquainted with manager procedure when the board of commissioners asked her to accept the manager position.

Most support for the manager plan comes from county commissioners and economy-minded voters, and the least support for its adoption comes from courthouse employees. Still, the most desirable aspect of the manager plan to residents of Petroleum County is its economy. In the first 15 years they used the manager plan, administrative costs of their county government decreased by a fourth while costs to other counties had more than doubled.* Such costs comprise about one fifth of total county costs.

This is not to say that any county that adopts the manager plan will save substantially. A county with a large population such as Silver Bow would be unable to consolidate the offices Petroleum County did, and it would be unable to run its county offices without deputies. The manager plan promises efficient operation first, and economy may result. Economy did result for Petroleum County, a county that clearly could not survive under the commissioner plan.

The Manager System

Residents of a rural county such as that in the case study require services both in kind and in number that are quite different from those residents of a metropolitan area demand. However, the manager system has been operating successfully in metropolitan Dade County (Miami), Florida with a 1970 population of more than one and a quarter million and in expanding, upper middle class, suburban Montgomery County, Maryland which had half a million people in 1970.

Increasingly in the United States counties are turning to adoption of some form of county government that has an

*Roland R. Renee, *Costs of County Government in Montana* (Bozeman: Montana Agricultural Experiment Station) June 1958.

executive.* There are variations of the county executive system; for example, in some counties the executive or manager is selected by the voters along with the board of county commissioners. However, the Montana law does not contain this option. This trend toward adoption of an appointed or elected county executive is especially apparent in metropolitan counties.

Former Montana State University President Dr. Roland R. Renee made a study in 1958 and came up with the conclusion that if all Montana counties adopted the efficient and businesslike methods characteristic of the manager plan, the counties could save from \$8 to \$10 million annually. This is the equivalent of 15 mills on all taxable property in the state.** The manager plan deserves a close look by Montana counties.

*Grant and Nixon, p. 423.

**Renee, *Costs of County Government in Montana*, p. 35.

CHAPTER TWO

THE COMMISSION-MANAGER CITY GOVERNMENT

Most of Montana's cities and towns operate under the mayor-council system of government in which aldermen from city wards and a mayor in addition to a few other officials are elected by city residents. Alternative forms of government are open to Montana municipalities. One of these is the commission-manager system--a system composed of an elected commission which directs a city manager appointed by the commission.

The commission-manager government promises essentially two things. It promises to bring professionally trained people who are career administrators to the top level post in city government. The manager's full time job is city government. Second, it prevents any conflicts between the legislative and executive branches of city government that would stop action on municipal projects or stifle municipal government because the manager may be removed by the commission at any time. The mayor-council form is not always able to bring these features to city government.

Montana's Commission-Manager Statute

Montana permits municipalities to adopt the commission-manager form of government (Revised Codes of Montana 1947, Sections 11-3201 to 11-3336). To initiate adoption of this form of government, a petition signed by 25 percent or more of the qualified voters of the municipality is presented to the city or town council. The council then calls for an election that will put the question of this adoption to all the voters. If the voters approve the measure, another election is held. This time the voters elect the members of the commission. A municipality may abandon this form of government by the same procedure after two years. There are three com-



missioners if the city's population is less than 15,000; otherwise, there are five. The commissioners have four year terms. From among themselves they elect a mayor who participates in ceremonial functions for the city.

The administrative head of the city government is the city manager who is appointed by the city commissioners. The manager is the head of all municipal departments; he serves in this position until the commission may be dissatisfied with his work and remove him.

The city manager has a great deal of responsibility in the city. It is he who sees that municipal laws and ordinances are observed. He appoints and removes, within a merit system, directors of the city departments. The Montana statute describes the following city departments under the commission-manager government: law, public service, public welfare, public safety, and finance. The manager may take part in all discussions before the city commissioners and make recommendations to them, but he does not have the power of a vote. And, the manager keeps the commission informed as to the status of the city's financial condition. It is the manager who submits the budgets of each city department to the commissioners for their approval or for any changes they may wish to make.

There is a special part of this law (Section 11-3336). A city that is functioning under the city manager form of government can enter into a contract with its county to have the county provide some services for municipal residents. These services may range from street repair to the renting of space in the courthouse. Of course, such contracts are not restricted only to commission-manager cities, but this law makes special note of such joint service agreements. (For a more complete explanation of contracts and agreements among units of government, see Chapter 4.)

The Commission Plan

The commission-manager plan is different from the council-mayor plan in some definite ways. Government and policy making of the city is centralized under the commissioners and coordinated and executed by the manager. Citizens thus know exactly where and to whom to give praise or place blame. All candidates for office must be nonpartisan. When voters fill out their election ballots, they need to choose only the three or five commissioners and thus can concentrate their attention on the qualifications needed by candidates for these positions



alone. It is easier for a voter to learn about the position and policies of these office-seekers than it is to learn about the various qualifications needed for aldermen, mayor, and such more or less technical positions as treasurer and auditor. Rather than have the mayor appoint people to the different city boards with his appointment subject to confirmation by the city council, the manager has full authority to appoint qualified department heads, and these department heads are responsible directly to him.

The centralization that is characteristic of commission-manager government is designed to lead to more efficient and effective city government which, as a result, can operate more economically. Bozeman has been operating under the manager plan since 1922, and during the time this plan has been in effect, operating costs have been reduced below those of Billings, Great Falls, Butte and any of Montana's other large cities.

Commission-Manager Case Study: Bozeman

Among the three Montana cities that have operated under the commission-manager form of government, Bozeman was the first. Missoula and Helena are the others. Bozeman faced a crisis in the early 1920s. The city was operating on the mayor-council plan. The city officials did not, as is often the case in city government, concentrate full time on the functioning of the city government. As a result, the city's finances became disordered. In fact, the city nearly went bankrupt, and even the banks in Bozeman would not accept the city's warrants. Partisanship was also strong in the city's government to conflicts and, therefore, hinderances to city operations were possible.

The residents of Bozeman were very disturbed at the lack of government responsibility; and, they were tired of the highly political atmosphere that was connected with city government. They looked to the commission-manager plan and hoped it would give them both more efficiency and accountability and less politics. An election was held in 1921; the citizens of Bozeman approved adoption of the manager plan. The city government was put into the hands of three city commissioners who were nonpartisan and elected at large. They hired a manager, and gave him the responsibility of maintaining efficient city services and sound city government.

Apparently the manager plan has been successful in Bozeman. During the time this plan has been in operation, city

administrative costs have been reduced to the lowest per capita level of any major city in Montana. And, the city provides excellent services. Total tax levies for Bozeman taxpayers have consistently been lower than those of most other Montana cities of a similar classification.* This has been possible because of the efficiency the city manager in administration of government permits. The manager has the ability and authority to act quickly and effectively to solve a city crisis or in handling every day problems. Since the manager can automatically handle most of the routine functions of the city government, the commissioners need not meet as often to handle small matters. The commissioners do outline the city's policies as a guide to the manager's administration and then they need only to review the manager's actions. They themselves act on unusual or important city issues.

Critics of the manager plan have said that the system gives the manager too much power and makes him too important in city governments. However, the Bozeman managers have never become controllers of city government. It is the commissioners who supervise the manager's power. If the commissioners do not do their job, if they do not set policy, and thus they give the manager an undirected hand in the city administration, then the manager could abuse his authority. Missoula had a commission-manager government, and the commissioners became lax in their jobs; naturally, the manager began to set his own policies. The citizens of Missoula were upset over this development, and they rejected the entire commission-manager plan of city government. Very few other cities in the United States have rejected the manager plan after they adopted it. Missoula probably could have gotten back to good government by firing the manager or electing better commissioners rather than instituting a different form of government.

Bozeman residents are satisfied with their form of municipal government. A Bozeman city official noted that traditionally Bozeman people are conservative in that they expect economical city government. The manager plan there has allowed economy because of the increased efficiency. Over the past several years city government has been a smooth operation with no major conflicts splitting the manager and the commission. The present manager is a native Bozeman resident and has been connected with Bozeman civic affairs in the Chamber of Commerce and as assistant city manager for a number of years. He was trained in industrial engineering at Montana State University.

*Roland R. Renee, *The Government and Administration of Montana* (New York: Thomas Y. Crowell Company, 1958) page 419.

The Commission-Manager Plan

It cannot be said that what works for Bozeman will work in the very same way for other Montana cities. Surely, Montana's very small cities do not all need a full time city administrator. But, medium sized and larger cities probably do. In the United States, more than half of the cities with a population between 25,000 and 250,000 have the commission-manager plan. Here in the West, four fifths of the cities have managers; in the Northeast only about one fifth of the cities operate with managers. About half the cities in the South and a third of the cities in the Midwest have the manager plan established.*

The popularity of this form of government is growing. Thirty years ago about 500 cities had the manager plan in city governments. In the mid-1960s more than four times that number of cities had managers. As has been said, the manager plan is designed to bring more professional administration into city government, and it produces a more smoothly running city administration as it removes partisan conflicts. The citizens of Montana's cities and towns might well look into the commission-manager plan. They should examine their own city governments to see if these governments measure up to the demands put upon them by city residents. If present city governments do not or can not meet the needs of city-dwellers, there are options available to these people to change their government. City officials should also look at the available options since it is their duty to bring the best and most efficient government to the citizens who elected them.

*Grant and Nixon, p. 442.

CHAPTER THREE

CONSOLIDATION IN LOCAL GOVERNMENTS

City-County Consolidation

Problems can arise when a particular geographic area comes to be governed by overlapping city and county governments. A solution to this problem is consolidation. Montana law and that of many other states allow city consolidation with the county thereby extending the city's limits to the county's boundaries (Revised Codes of Montana, 1947, Sections 11-3401 to 11-3560). The two governments are completely merged.

City-county consolidation is a current issue in many metropolitan areas of the United States. Metropolitan government is generally simplified by consolidation because overlapping government jurisdiction is eliminated along with duplication of officials. A merged city and county government would not, for example, eliminate either the county sheriff's men or the city's policemen. The same number of law enforcement officers would be needed; under consolidation, though, all these men would be put under one authority. Duplication of officials such as hiring both a city superintendent of schools and a county superintendent of schools would be reduced. The problems of the area can be handled by a more capable, unified government after consolidation because it is not tied up with restrictions limiting its powers to just those of a city or a county government. Suburban blockage of a city's needed expansion through annexation is one reason consolidation has taken place in some metropolitan counties.

The Montana Statute

The residents of a county may decide that they wish one unified government that will represent all county residents--both those living in and those outside cities and towns. If 20 percent of the qualified voters sign a petition stating



that they wish just such a unified government, the question will be put to a vote of county residents at an election called by the county commissioners. The measure is approved if a simple majority votes in favor of it.

With consolidation, all city and town governments merge with that of the county; thus, a single government unit on the local level is formed. The new consolidated government is given the name of either the county or one of the cities or towns within the county, and it may be described as a *consolidated municipality*. This new government is run primarily by a group of nonpartisan commissioners, and these are the only offices the county citizens vote for--they are the only elective offices.

The candidates for commissioners of the new government are chosen by the citizens through petitions. A primary election does not select the candidates. A hopeful candidate must be a resident property holder of the consolidated municipality, and he needs the support of a percentage of the voters before his name can be put on the ballot.

This consolidated unit of local government has all the authority and responsibilities of both the county and the cities and towns that merged to form it. And, the authority and responsibility rests with the elected commissioners. Depending on the population of the consolidated municipality, there will be three, five, or seven commissioners. Commissioners have staggered terms, and each serves for four years.

In order for any resolution or ordinance to be passed, a majority of the members of the commission is required to approve it. In addition, citizens have the opportunity to bring matters before the commission for consideration simply by having 10 percent of the consolidated municipality's qualified voters sign a petition requesting such consideration.

Within the commission itself, some commissioners are given special duties. The commissioners choose one of their members to be president of the commission, and they choose another to be vice president who acts in the president's absence. The president is the presiding officer at commission meetings, and his other duties are rather like those of a ceremonial mayor.

Actual administration of the commission's policy is carried out by a manager who is appointed by the commission. Like a county or city manager, the manager of the consolidated municipality is an expert on municipal administration and, therefore, is appointed with regard to his ability rather than his politics. He has no definite term in office and may be removed

by the commission, for good reason, whenever it wishes.

The manager is responsible for the proper administration of the consolidated municipality. It is he who appoints most of the local officials. He appoints, for instance, heads of the departments of law, finance, police, public work, health, and in some counties the head of the fire department. The commission, on the other hand, appoints the superintendent of schools, police court judges, and the members of advisory boards.

The manager has specific duties. He must insure law enforcement within the municipality. He informs the commission concerning the status of projects within the consolidated municipality and recommends actions he thinks should be taken. Additionally, he keeps the commission informed of the financial condition and the projected needs of the consolidated municipality, and he prepares and presents to the commission any reports that it asks for. The manager has the right to attend any commission meetings, and he has the responsibility to participate in the discussion.

Consolidation in Montana

A consolidated government is another way counties and the cities and towns within them can organize their government. Certain localities may feel that such a form of government fits their needs, and others may decide that it is not adequate. But, local government officials may look to it as another means they may use to give their citizens the best services and economical government.

No case study of city-county consolidation can be presented because this form of government has not been implemented in Montana. The residents of Silver Bow County in the 1960s held a referendum on consolidation and defeated it. The Montana legislature also passed special consolidation acts tailored to meet the needs of Silver Bow County in both 1923 and 1931. Adoption of these acts, too, was defeated in referendum votes in 1924 and 1931. A petition proposing consolidation was circulated in 1970 in Deer Lodge County, but because of a legal technicality, the signatures were not accepted. The county residents expressed dissatisfaction with parts of the consolidation law, too. Some Deer Lodge County residents expressed a desire to have the legislature pass a different consolidation statute--one that would be more suitable for their needs.

In other parts of the United States, as will be shown

in later examples, consolidation is becoming increasingly popular. For metropolitan areas with a city hemmed in by suburbs, consolidation has been called "the trend for the '70s."* Missoula County has just such a problem: the city of Missoula has a population of about 30,000 and is surrounded by unincorporated urban areas with a combined population of about 12,000. Many city residents feel that they are subsidizing some services for county residents. And, unincorporated urban residents are not receiving adequate service in, for example, fire protection. Since annexation seems impossible as a solution to the problem, perhaps consolidation will equalize taxes and services between city residents and urban county residents.

City-county consolidation does not solve all problems. Nearly half of the major metropolitan areas in the United States spill over more than one county's boundaries, although it is apparent that this is not a Montana problem. Some metropolitan areas even spill over state lines. Consolidation in such cases would not solve many problems, and perhaps it is more suited to medium sized metropolises. Present consolidation popularity is among medium sized and small metropolitan areas, especially those in the South.

There are advantages to city-county consolidation. Taxpayers' burdens are relieved because one layer of government is eliminated. The voter has a shorter ballot to fill out; the structure of local government is simplified. Generally, government administration is made more effective because of county-wide jurisdiction. Of course, there are those citizens who fear any combining of governments--they fear a loss of identity or political power--and will oppose consolidation on these grounds.

Consolidation in Practice

Consolidation is a very political issue. The fear of loss of political identity through the loss of a unit of local government by consolidation is very real to some Americans. Perhaps though, supporting many different local governments that overlap in their jurisdictions has become too expensive to continue, and these extra units of government have become luxuries. Government costs continue to mount, and government services to urban residents in incorporated and unincorporated places continue to expand. For these reasons, some rather recent and major consolidations have taken place: Nashville-Davidson County, Tennessee, in 1963; Jacksonville-Duval County,

*Ed Young, "Nashville, Jacksonville, and Indianapolis Examined for Possible Lessons for Future," *Nation's Cities* (November 1969) pp. 26-7.

Florida in 1968; and, Indianapolis-Marion County, Indiana in 1970. In each case the population and the tax revenues of the central city were declining; suburban residents in the surrounding county were increasing in number thereby putting increasing strains on urban services.

Generally, support for consolidation came from city and county administrators who were frustrated by restrictions. The cities had authority from the state legislature to provide services but no adequate area of jurisdiction; the counties had area-wide jurisdiction, but no real authority to handle local problems. Support also came from county residents who saw that more efficient and more economical government would result. Opposition came from those office holders whose jobs were going to be eliminated by consolidation, and resistance was from people living in small cities and towns (usually not the large central city) in the county who feared a loss of identity. Perhaps consolidation does mean a loss of identity, but maybe the only way residents can preserve their local political identity is by paying the price of the taxes needed to finance more governments. According to a recent count, Montanans are supporting one unit of government for every 500 people.*

Small units of government usually provide inferior services to their taxpayers than those provided by larger governments. For example, the U.S. Department of Health, Education, and Welfare estimated that a population of at least 50,000 is necessary to maintain welfare support or an adequate health program. In Montana, only three counties (Yellowstone, Cascade, and Missoula) meet this criteria, and only the cities of Billings and Great Falls are large enough under this standard. Of course, this does not mean that the residents of Montana's smaller counties do not need county welfare assistance or health care, but it does mean that they cannot provide these services as well as the larger counties can.

Other Types of Consolidation

The United States Federal Government through its grant programs is encouraging consolidation of small units of local government on the grounds that many separate units are wasteful and inefficient. One example of this is area wide planning and health and welfare services. Fragmentation of authority,

*Orin Nolting and David Arnold, eds. *The Municipal Year-Book 1967* (Chicago: The International City Managers' Association, 1967).

responsibility and accountability is one of the big problems at all levels of government. It is especially noticable on the local level. Most local government programs are handled by more than one agency of local government in collaboration with some state agencies and co-ordinated by the federal government. A city is not in charge of its own affairs. Local governments will probably always have to function in co-operation with the different layers of government, but the functioning of local governments themselves can possibly be simplified by different consolidations. In some situations city-county consolidation makes very good sense. For example, consolidation of county departments or consolidation of cities or consolidation of counties with counties. Of course, any such moves to large scale consolidation would cause a great deal of political discussion on the local level.

Some trends in local government operation complicate the local government scene by the creation of new units of local government. These are the special improvement districts (SIDs), whose authority may cross both city and county boundaries. They are limited authorities formed to handle specific problems, for example a water system, in a specific area and do not have to co-ordinate their activities under existing units of local governments. SIDs make regional planning difficult and complicate local government decision making. Actually, SIDs weaken the existing city or county government by displacing them in the SIDs area of authority. The federal government's Advisory Commission on Intergovernmental Relations has criticized the formation of SIDs because they can remove the control and responsibility of a certain project from the local government. Creation of SIDs is complicating the problems that consolidation attempts to solve.

Montana statutes allow local governments both to consolidate and to form SIDs (Revised Codes of Montana, 1947, Section 11-2202). A locality, then, could use either approach to attempt to solve problems. SIDs tend to diffuse authority and accountability and create more government; thus, SIDs solve some problems while creating others. Consolidation concentrates authority and responsibility in a drive for economy and efficiency. Some criticize this because they say that big government is less responsive to citizens than small units of local government. However, big government is also more able to handle problems and provide high quality services.

Montana law does allow counties to merge or consolidate. The same is permitted of cities where circumstances make consolidation desirable or necessary. This type of consolidation has not occurred in Montana. In 1913 Montana had 33 counties; eleven years later in 1924 Montana had 23 more. Not all the

"county splitting" as it was called, was justified, and it all was expensive. And, Montana now supports 56 county governments. This number of counties presents difficulties because some of them are small and weak units of government. Increasingly the state and federal governments are relying on multicounty districts to carry out programs and planning.

Montanans do not appear to want to give up their various county governments. However, many of our counties continue to lose population, and a few are continuously gaining. In Montana today, half of the population resides in the six largest counties, and the other half resides in the remaining fifty counties. All these counties have to be paid for, and they all must provide the government services required of them by law.

The future does not promise a large increase in Montana's population, and if anything the rural areas will continue to lose population. Counties that begin to experience population losses and fiscal difficulties as Mineral County did in 1971 might look into the different ways they have to adapt to changing circumstances. They will have to look into consolidation and other methods of government that promise economy. There are methods available to counties that will help them economize without merging with other counties. The manager plan is one. Mineral County residents had a chance to vote on the county manager plan, but they rejected it. Consolidation of county departments is another. And, there is city-county consolidation, along with the other methods described in this Handbook. Counties should choose the plan that best fits their needs and best serves their residents.

CHAPTER FOUR

INTERLOCAL AGREEMENTS

Many times it would be an advantage for a city or town or even a county to be relieved of its responsibility to supply a particular service to its citizens. It may be much more convenient and economical if a unit of local government were able to enter into a contract with some other unit of local government or a public agency to perform a service such as water supply or provide a certain facility, for example a library.

Agreements of this type that units of local government participate in are called *interlocal agreements*. In the United States, the formation of such contracts on a large scale is rather recent, and it is growing. Just as more government projects are handled by federal, state, and local governments because one level alone cannot bring together the resources necessary to solve a problem, so too local governments themselves are finding that they can function more efficiently when they act together.

There are different types of arrangements that can be made by parties entering an agreement. Two local government departments may simply have an understanding between them gained through a conversation that certain facilities or information will be shared. Such an understanding can be changed at any time. Another type of agreement is the mutual aid agreement such as would take place between the police and sheriff's offices or among fire departments. In this agreement the agencies pledge their help to the others in times of emergency.

An important type of agreement, and the type that will be discussed in this chapter's case study, is the service agreement in which two government agencies write up and sign a contract that specifies how a service will be performed by the agencies. The service can be performed by one agency for the other in a buyer-seller relationship. Or, on the other hand, it can be performed by both of them in a joint service agree-

ment. These joint power and buyer-seller agreements would include co-operation in employment or personnel, supplying services, construction of facilities, or access to information.

It is the aim of interlocal agreements to have governments work together rather than apart in order that the taxpayer's dollar will be used more efficiently. It is the purpose of forming agreements to provide citizens with the best services possible from the different units of local government. The parties that can join in co-operative agreements include municipalities, counties, school districts, local government departments, and local government agencies.

The Montana Statute

Montana's 1889 Constitution makes no mention of interlocal agreements. The legal basis of these agreements is entirely statutory. The past Montana Legislative Assemblies have made specific provisions for many different types of interlocal co-operation through agreements. However, in this Handbook we will concentrate on one law only--that permitting all kinds of agreements. This law (found in the Revised Codes of Montana, 1947, Sections 16-4901 to 16-4905) was supported largely by the Montana League of Women Voters before its passage by the 1967 Legislature.

This statute provides that any political unit of the state may sign a contract with any other political units of the state. The contract may concern services or undertakings that any of the contracting units has the authority to perform. The contract must be agreed on by each of the governing bodies of the government units involved. The state attorney general must also approve the legality of the contract by reviewing the contract format and content. A copy of the contract is filed with the county clerk and recorder in the county or counties in which the agreement is taking place. A copy is also filed with Montana's secretary of state.

The contract itself should include certain details of the agreement. For example, the parties of the contract will want to put down the purposes, powers, rights, responsibilities, and obligations of each of them. The contract should also contain the length of time the agreement is in effect, what they hope to accomplish by entering into the contract, the means of financing the projects, the methods of acquiring property and ownership of property in projects that are jointly undertaken. Pro-

visions should also be made for administering the joint undertaking and for ending the agreement.

One note of caution is called for. The law specified that by entering into an agreement, one unit of government may not exercise a power it has not been granted by legislative authorization simply because its partner in the contract does have that legislative authorization. This is the opinion of the state attorney general as a result of a request by the Missoula Interlocal Co-operation Commission. This Commission wanted to know whether the city building inspector could also serve in that capacity for the county and work on the city-county planning board through an interlocal agreement. According to the attorney general he may not because the county is not authorized to hire a building inspector.

Within the legal bounds the State of Montana is allowing interlocal contracts. It is, in fact, encouraging such agreements when citizens would be better served by such an arrangement.

Glendive-Dawson County:

A Case Study of Interlocal Agreements

Work by members of the Dawson County community began in 1967 to forge some interlocal agreements. The mayor at that time had worked in the 1967 session of the State Legislature and was familiar with the bill as soon as it was passed. He decided, therefore, along with the Dawson County commissioners and other civic leaders to try and initiate some action in Glendive.

Agreements started with the city and county signing contracts concerning water and sewer maintenance. The city said it would perform these services for the county. This agreement came about because the county found itself in the position of being required to supply these services to suburban residents who had recently settled outside the city limits. Without large expenditures to buy the specialized equipment necessary for these services, the county could not supply them. The city already had such equipment, and it could supply the services with little difficulty. Agreements on street maintenance were also among the first made. The agreement was made by the city street department and the county road department that specifies that the city will maintain suburban streets outside Glendive city limits. Additionally, the city is to rent the needed heavy equipment from the county when it is maintaining these

streets.

A far-reaching agreement was signed by the Glendive mayor and the chairman of the board of Dawson county commissioners. It concerns agreements between the Glendive police department and the Dawson County sheriff's office. This contract, which went into effect in 1968, specifies:

(1) the Glendive police department would move from city hall to office and parking space provided by Dawson County adjacent to the courthouse; the city would provide storage space for both departments in the city hall;

(2) the city of Glendive would remodel this space so as to establish separate men's women's and juvenile cells;

(3) the facilities of the police department and the sheriff's department would be utilized to insure full co-operation and the mutual advantage of both departments and to insure the most efficient use of the combined facilities;

(4) the city of Glendive and Dawson County would plan together their budgets to avoid duplication in capital spending;

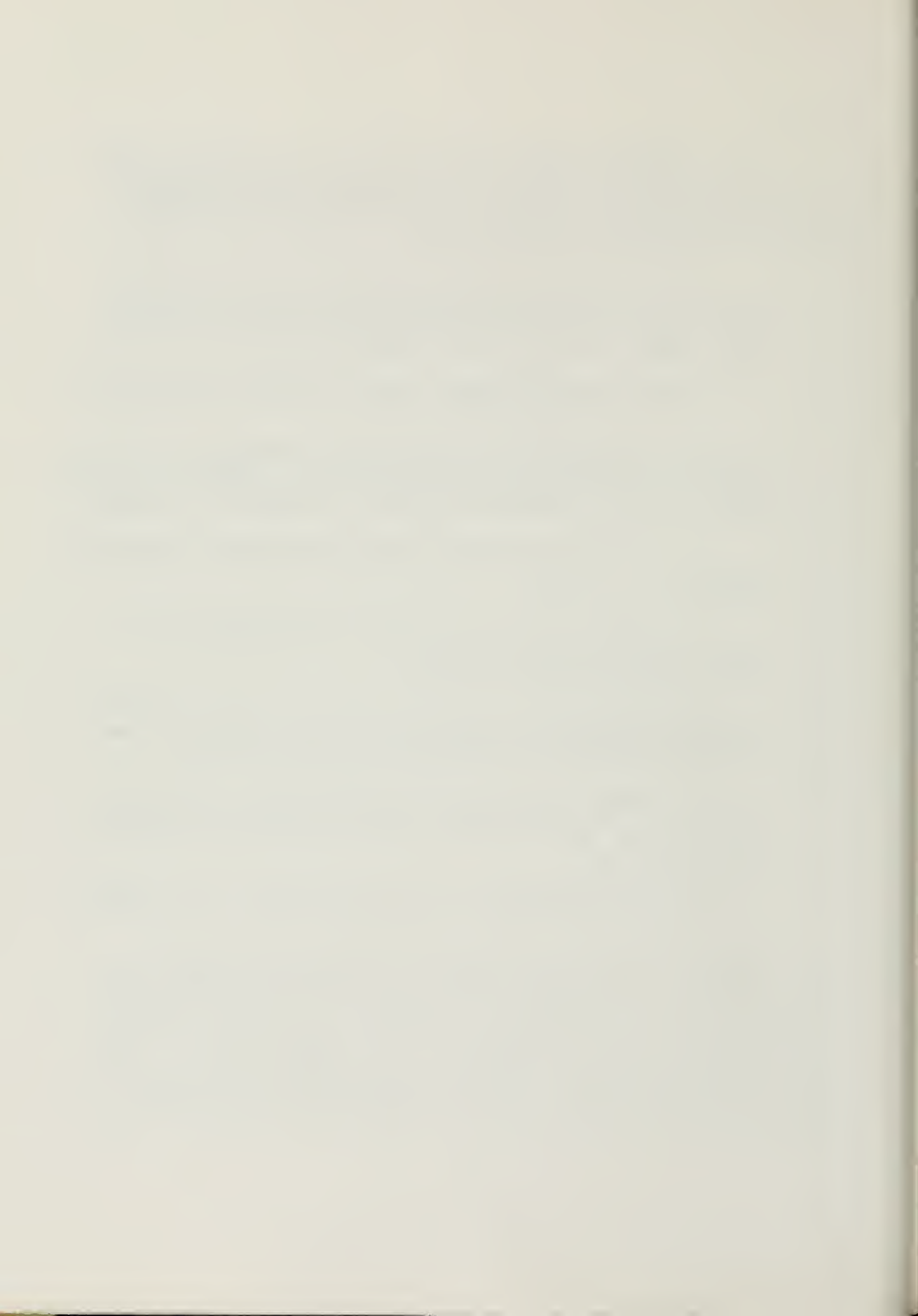
(5) a joint board consisting of the Glendive City Council and the Dawson County Board of Commissioners would administer the agreement;

(6) although the city and county will keep separate operating budgets, the county will pay for utilities and the city will pay for maintenance of the offices;

(7) property owned by either department remains the property of that department, and any property purchased in the future is the property of the department that does the buying; and,

(8) this agreement can be terminated by a six month notice in writing from one contracting party to the other.

The two departments share facilities, but they do not share authority. Equipment they can use jointly includes the jail, a criminal card file (arrests by either department show on one card), and photographic equipment as well as a communications center. The communications center also handles calls for the fire department, ambulance, and highway patrol. Anywhere in Dawson County a person may simply dial 911 in any emergency and receive help. Before the agreement the sheriff's office could be called only until 5:00 p.m. on week days with



no one to answer for the rest of the day or on week ends. The police department did have 24-hour answering service, and now a staff member of the police department will answer calls for the sheriff's men. This answering service is in addition to the emergency phone service. The county is better served with this contract in effect.

Since these departments are not duplicating equipment and are sharing the equipment they get, both departments are, in effect, able to obtain more equipment than before. Both departments use and share the cost of the Law Enforcement Teletype System. The sheriff's men can use the 24-hour manned radio operation of the police department simply by walking across the hall; without the agreement they would not have the use of one. The same is true of the police department's hotline. The sheriff's department may now also use the shooting range and reloading room that is located in the old city hall building. In-service training sessions held in the courthouse building are attended by both the police department and sheriff's men.

The money saved in time, paper supplies, and space because the sheriff and police officers work together is worth several hundred dollars a year according to the former Glendive mayor. It is also apparent in the county that taxpayers have been saved a great deal on street and water and sewer maintenance. At the beginning of the police-sheriff agreement, the city saved at least the \$15,000 that would have been needed for the extensive remodeling of police headquarters. This is because the police department was simply able to move into offices in the old city jail adjacent to the new courthouse after about \$2,000 of remodeling.

With the police and sheriff offices close to each other, minor irritations have, of course, cropped up, but these have been easily solved, and no major problems have occurred. A former official in Dawson County said that the biggest stumbling block to a merger such as the one that has taken place between the sheriff and police departments is the leadership of the departments involved. If a department head had set up a personal power position, he would resent a merger because he would lose his personal authority and prestige. However, the department heads involved in a merger, if they are concerned about the needs of the taxpayers they serve, can adapt their departments and their positions to the functioning of the united department. The co-operation between the sheriff's office in Dawson County and the Glendive Police Department is a splendid example. The residents of Dawson County are the ones who really profit from these arrangements. Less time is wasted and there is more efficiency in law enforcement. As a whole, county resi-

dents like and appreciate the better service they are getting in law enforcement. The sheriff of Dawson County believes the present arrangements are working very well. Other officials have expressed regret only at the fact that the interlocal agreements were not instituted earlier. There is one other incorporated town in the county, and that is Richey. Residents of Richey have chosen not to enter into any of these interlocal agreements with Dawson County or the city of Glendive.

Interlocal Agreements in Practice

Although Glendive-Dawson County is Montana's most outstanding example in the use of interlocal agreements, it is not the only area to have them. Thompson Falls, the county seat of Sanders County, has entered into a contract with the sheriff's department. This agreement has a buyer-seller aspect; the sheriff's department agreed to provide protection for the city. And, in many Montana counties there are such agencies as a city-county planning board, city-county health department, and city-county arrangements for library and park funding. Some county officials in, for example, welfare, probation, and sanitation serve a group of counties rather than just one.

In the United States there are thousands of interlocal contracts now in effect. Los Angeles County, California is an excellent example of the use of contracts with a wide-ranging system called the Lakewood Plan, in which the county provides municipal services for many of its cities and towns. Under this plan the county government provides almost all services for twenty-eight suburban cities.

The county has been expanding its services to municipalities since the 1900s. Expansion of services was done both by the county itself through contracts, and it was also authorized to perform more municipal services by the state legislature. Examples of services it provides are street lighting, water, police protection, flood control, and fire protection. In the mid-1950s Los Angeles County offered to provide by contract most municipal services to any city or town in the county. Since the county had large, densely populated unincorporated urban areas, it was providing municipal services to them, and the extension of services to incorporated places was easily managed.

The Los Angeles County system takes its name from the city of Lakewood which incorporated with a population of about 60,000 the same year that the county said it would market municipal

services. Lakewood residents decided to allow the county to provide them with services as it had before incorporation. The city of Lakewood could begin its government inexpensively: they needed only a city manager, commission, clerk, city attorney, and some secretarial aids. The 76 municipalities of Los Angeles County are all contracting for at least one county service, and more than a third of them operate under the Lakewood Plan.

There are, of course, both opponents and supporters of the Lakewood Plan. Those in favor point out that new cities are spared the initial heavy cost of buying equipment to provide services. Critics say that because this is possible, many suburban areas will choose to incorporate and let the county provide services rather than choose to be annexed to surrounding communities. Critics also say that it is government by remote control. Supporters point to the variety of services a municipality can contract for; a city can provide services it is equipped to handle and have the county provide others. If a city is dissatisfied with the county's service or its cost, the city can terminate the contract and provide the service for itself. In this way, services are on the open market, and since the county is in competition with the cities to provide the services, the county must insure quality performance at reasonable prices.

Usefulness of Interlocal Agreements

Officials and citizens of Glendive and Dawson County are understandably pleased about the workings of their interlocal agreements. With impressive results such as they have achieved there, more such agreements in the state promise better government for Montanans. Since more services are being demanded by Montana's growing number of urban residents--incorporated and unincorporated--local units of government, especially the county, will increasingly be called on to perform them.

Interlocal and other intergovernmental agreements provide a solution to some of the problems that may be or are being encountered by local governments. They offer advantages over other governmental solutions such as annexation or consolidation. One advantage is that forming contracts requires little change in the structure of the governments involved. City-county consolidation causes major changes in the form of government. Agreements do not remove from the citizens of a locality any of their power to rule themselves; many times people fear that a county-wide or regional government as would be

formed by consolidation is a threat to their own self-government. Finally, interlocal agreements are rather easy to institute because they usually require only the negotiation and consent of the parties entering the contract. Both annexation and consolidation entail much more difficult legal procedure to be put into effect.

Perhaps in the future more Montana communities will see the opportunity to implement interlocal agreements. They hold the promise of making government more efficient and more economical. These agreements are a progressive step for local governments.

CHAPTER FIVE

INTERLOCAL CO-OPERATION COMMISSION

The Montana Legislature provided local units of government with an excellent tool to reform and modify their operations by passing the 1967 Interlocal Agreements Act that was discussed in the last chapter. Two years later, again largely due to the support of the Montana League of Women Voters, the legislature passed a statute that permits communities to set up study commissions to plan the implementation of interlocal agreements and other government reforms. This is the Interlocal Co-operation Commission Act. It outlines the formation and functions of an *Interlocal Co-operation Commission (ICC)* which studies ways in which local governments may improve themselves. Residents of the state may now take action to remedy their problems by studying their local government and thus attempt to make it more responsive to changing conditions.

The ICC bill was designed to give the different units of local government a means to study and plan co-operation. The object of this act is more economical and more efficient local government operation. Under this act a county and the cities and towns located within it may formulate a program that attempts to eliminate duplication of services and make the distribution of services more equitable. The basic purpose for creating an ICC is to provide an official way to allow Montana citizens to actively participate in improving the operation of their local governments.

The Montana Statute

The Interlocal Co-operation Commission Act (Revised Codes of Montana, 1947, Sections 11-4401 to 11-4416) was passed by the Legislative Assembly in 1969. There are two ways a locality may form an ICC. First, each of the different governing bodies of a county may pass a resolution to establish an ICC by a simple

majority vote . And, second, local residents may file a petition with the county clerk and recorder signed by 10 percent or more of the qualified voters of the area requesting that an ICC be established.

The ICC members are appointed by and represent the various governing bodies of the county, and they serve without pay. The county commissioners select four members, and the mayor of the county's largest city selects four members with confirmation of their appointment by the city council. The mayors and city councils of each of the other cities and towns in the county select one member. The ICC members choose a chairman from outside their own membership.

It is the task of the ICC to prepare a comprehensive program describing recommended reform of the county's local governments that will lead to better government. The ICC presents this program to the governing bodies of the county. In formulating this program the ICC should take into account the present and the expected future demands on the area's government services, land, and resources. The ICC is supposed to insure citizen participation in the processes of local government through its recommendations. Any information the ICC needs may be procured from private and public agencies such as the local planning board at the request of the chairman. In order for the ICC to operate, local units of government appropriate the small budgets it needs for research and other expenses.

The ICC does not have the power to implement its program; it may only make recommendations to the county's governing bodies. The recommendations are intended to reduce costs and make government better serve the people. For example, the ICC may find that the county's largest city is better able to expand and maintain water and sewer lines beyond city limits than the county because it has the specialized equipment. Therefore, the ICC may suggest that the county contract with the city for these services. The ICC may also suggest that some units of local government be consolidated, or that special improvement districts be unified. The ICC may recommend that the county and cities create a new integrated form of government or make other changes that would result in more equitable, better local governments.

The Interlocal Co-operation Commission Act intends that localities not only study their governmental problems, but that they also act to put solutions into effect. Three years after formation of the ICC, public hearings are held at which all citizens are invited to discuss the ICC's program and recommendations. The commissioners themselves have five year terms.

The county's citizens or their elected representatives may take action on the proposals. Some government modifications may be accomplished by petition of the people; other recommendations may require action by governing bodies of the local governments or by the state legislature. The members of the ICC make their recommendations known to the people and to their representatives, and the people or their representatives may implement them. The ICC itself neither takes nor will it support any actions; it only studies, plans, programs, and presents recommendations.

A Case Study: The Missoula ICC

After initial encouragement from the Missoula League of Women Voters and the Missoula Chamber of Commerce, the Missoula Board of County Commissioners on June 19, 1969 sent the Missoula City Council a joint resolution concerning the formation of an ICC. Quick approval was given by the City Council. The ICC met in the fall of 1969, elected a permanent chairman, and set to work studying ways to bring modern local government to the residents of Missoula County.

The city of Missoula has some problems unique in the state. The city itself has about 30,000 residents. Outside the city limits are 10,000 to 15,000 urban residents. The large out-of-city urban population creates imbalances in tax costs and services received. This urban periphery by its very existence puts a larger demand on services such as traffic control, street and road maintenance, water and sewerage, health services, parks and recreation. Difficulties have arisen especially in the area of fire protection. Since the city does not own the water lines, some subdivisions beyond the city limits were able to develop without water mains big enough for fire fighting; the city could not enforce size requirements in these areas. Missoula civic leaders see the need for more uniform government regulation in the county. The few truly rural residents of the county do not demand much in the way of services, but the urban residents are putting a strain on the city.

To begin, the ICC concerned itself with the day to day operation of their local government. Local officials were invited to ICC meetings and spoke of their individual jobs and troubles in government to provide the ICC with basic information. The county commissioners told of air and water pollution control and sewage treatment needs. The mayor spoke of the need for a uniform city-county building code; he pointed out

the difficulties encountered in law enforcement and road maintenance with both city and county offices and city and county regulations; and, he spoke of the lack of continuity in city government because of the way terms of offices for officials are arranged. The need for county-wide zoning and subdivision regulations was presented to the ICC by the city-county planning board director.

The heads of various city departments presented information: city parks are progressing in development but county parks are not because the county does not have a park department; the Legislative Council and the Constitutional Revision Committee are proposing that some reforms be made in municipal courts; there is some question whether the proposed public library building that serves both city and county residents may be jointly financed by city and county; there is a high cost in holding separate city, county, and school elections. Other topics included fire protection, sewerage, urban building codes, and perpetual care cemeteries. With a great deal of interest, the ICC has looked around the state of Montana and investigated some of the interlocal agreements that communities have formed. A guest was invited from Dawson County (Glendive) to tell about the successful contracts and agreements made in his area. (A description of the statute governing these agreements and a case study of Dawson County-Glendive experiences can be found in Chapter 4.)

The ICC has made some minor recommendations that it hopes will increase government efficiency or economy and make services more equitable throughout the county; however, the overall program it is formulating is not completed yet. Attention has been turned to Montana's Constitutional provisions. The Missoula ICC is attempting to promote more freedom for local government decision making and to encourage the availability of more optional forms of local government. They are also hoping that the Constitutional Convention will write a Constitution that sets up general guidelines and allows the legislature the power to make laws for specific cases.

Many problems and many alternatives for solutions--in other words much work--lie ahead for this ICC. The result should be a planned and reasoned approach to modernization of Missoula area local government.

A Case Study: The Cascade County ICC

Cascade County had its ICC in operation in December 1970.

This ICC was formed because county citizens filed a petition requesting it. The county commissioners supported its establishment; however, the Great Falls City Council and some segments of the population initially opposed it. Some thought that the ICC was an attempt to set up a regional government. However, the ICC is only studying local government. It has no power to make any changes in the structure of government. In addition to the county, the incorporated municipalities of Belt, Cascade, and Neihart are participating in the ICC study.

The ICC spent the first few months orienting itself and familiarizing itself with local government operation. The members represent a cross section of the county's population. After orientation and based on their particular interests, the members each chose an area of local government to study further.

Four areas of study have been determined:

- (1) research on the city street department and the county road department and the city and county shop,
- (2) law enforcement and retention centers,
- (3) planning and zoning, and
- (4) judicial reform below the district level.

Each project area is being studied by a subcommittee of two members. The subcommittees then will give reports to the full ICC, and the ICC will decide what official position it takes on each project report's area of study. The subcommittees are supposed to present facts only; they are not to make recommendations to the ICC. When all reports are heard and the ICC has determined its official position and recommendations on each area, then it will make its program for local government public. It will make no recommendations to Cascade County governments before then. However, the ICC may make some suggestions to the upcoming Constitutional Convention or some delegates before its full program is complete because of the timeliness of the Convention.

The ICC is concerned with efficiency and improved and expanded services. Its members are trying to insure that Cascade County taxpayers are getting the best services for their money. As soon as the ICC study is completed, its job ends. The ICC itself will not support adoption of any of its suggestions--its only function is to study the local government scene.

A Case Study: No ICC in Yellowstone County

Action initiated by the Billings City Council began an attempt in Yellowstone County to establish an ICC. Besides the county and Billings there were two other units of local government concerned with ICC formation: Laurel and Broadview. Billings attempted to enlist the support of the county commissioners and the county's two towns.

The board of commissioners eventually agreed to the ICC. The mayor of Billings then asked the mayors of Broadview and Laurel to have their city councils vote on it. A hurried vote in Broadview defeated the proposal. Observers have speculated that not enough information about the purposes of an ICC was made available to Broadview. Thus, lacking adequate knowledge, the proposal was defeated. In Billings, too, there was some misunderstanding concerning the functions of the ICC. A segment of the population believed that co-operation of local governments would take power from the people. This is untrue. First, an ICC clearly has no power to restructure government. Second, co-operation should lead to more efficient government --local residents will still be in control of the actions of public officials as they are before any attempts at co-operation. In fact, a provision of the ICC Act states that one purpose of an ICC is to insure citizen participation in government.

Laurel also voted against the ICC's establishment. There was some sentiment in Laurel against co-operating with Billings, and some residents equated co-operation with consolidation although they are far from the same. Therefore, the ICC was rejected. Unfortunately, no ICC could be established in Yellowstone County. Many community leaders in Montana have expressed optimism in the usefulness of ICCs; for Yellowstone County an ICC may have been very worthwhile in helping local governments operate more efficiently.

Councils of Government

Across the nation local government officials themselves are participating in discussion groups. Such groups are called *councils of government (COGs)*. It may be a formal or informal gathering. COGs enable officials to meet and discuss the needs government can fill for residents. Here, too, the officials can try to find ways to work together on projects that cross political boundaries--for example, a land use plan for both the municipalities and the county. Or, they may explore new concepts in government and share solutions to past problems.

Like an ICC, a COG has no formal power or authority to implement any decisions it makes, and the chief function of a COG is to familiarize officials with the problems, solutions, and ideas of other government officials. The ICC Act encourages formation of COGs.

The Dawson County (Glendive) area has had a very informal COG for three years. Each year representatives of the city, county, elementary school board, high school board, and community college board meet and discuss their individual problems. Together they decide which is the single most pressing problem, and funding priorities are set. These decisions determine what will be put on the bond issue. For example, one year the water system takes precedence, and the next year schools' needs take priority. Thus, residents face only one bond issue each year, and do not have to vote on proposals from each unit of government.

Usefulness of an ICC

An ICC is a way communities can approach modernization of local government. It has two outstanding aspects to it: one, the modernization is studied in depth and changes that may be suggested are planned and programmed; two, this study is performed by local residents themselves, and it is they who decide what recommendations will be made.

The Montana Legislature has presented communities with the means for planned government reform by setting up guidelines for ICCs. In making a thoughtful program for up-dating local government, an ICC provides an essential service to county residents. Flexibility in government is essential in Montana because of its diverse economy and population and because of the large differences in population distribution. The ICC program together with interlocal agreements and other forms of local government permitted by the state enable Montana communities to tailor local governments for their particular requirements.

SUMMARY

It has been the purpose of this Handbook to point out alternative forms of government available to Montana communities. The success that the county manager plan brought to Petroleum County may encourage other counties to try this form of government. The same may be true with the commission-manager plan used in Bozeman. Consolidation of units and departments of local government is possible but rarely has been tried in Montana.

In a new and optimistic light are the innovative techniques available under the Interlocal Agreements Act and the Interlocal Co-operation Commission Act. As the case studies have shown, initial results from the communities utilizing these acts are promising.

Home rule for municipalities is being given some support in Montana. Under home rule provisions, the unit of local government is given the powers to establish or modify the framework of local government and thus be more in control of its own affairs, and less controlled by the centralized state government.

New Ideas in Local Government

Around the United States and in other countries, innovations in government operations are being made. For example, the city of Toronto gave a new look to city government by uniting with its twelve surrounding suburban cities to form the "Municipality of Metropolitan Toronto." The government is a federation: Metropolitan Toronto handles area-wide services and needs such as water and sewerage, but each of the thirteen components of the municipality handles such activities as fire protection, health, and welfare individually.

The state of Alaska has a new form of local government in units called *boroughs*. They are unlike most forms of government previously undertaken in the United States. An organized borough is a form of area government for a "natural community." It is a local government; however, its jurisdiction is not

limited to a city or a suburb or a rural area. The borough brings local government to all three of these--to an area that needs it and can afford it. It is truly a government that is local because all boroughs have home rule. Local initiative is such that the citizens in an area organize their borough and draw its boundaries. The borough can provide services to the entire area within its boundaries such as planning and zoning and education. Needs for these services do not stop at municipal boundaries and cannot be handled by a city alone. It can also provide services to special, limited areas within its boundaries such as water and sewerage to the cities or flood control, thus making special improvement districts unnecessary and preventing government duplication and overlapping. Tax rates are, of course, adjusted according to services received.

A borough is different from a county because it is a "natural community." It is an area in which the residents share common concerns and have interrelated interests. In other words, a natural community is the area in which people are connected economically, geographically, socially, and culturally. The borough's boundaries define this community rather than just a political unit as do county lines. The traditional city or county contains a population that is usually less clearly defined and integrated.

The borough government is operated by an assembly of elected representatives and an executive who may be elected (borough chairman) or appointed by the assembly (borough manager). Government operation is designed to be efficient while keeping costs low. In a borough, the residents of the community take action on their own problems. There are two reasons for this home rule. On the one hand the state of Alaska found it impractical to try and give specific directives to local government. And, on the other hand, residents of cities found that they were occupying too small a land area to perform the necessary planning and zoning to prevent blight from forming around the city and to perform other services needed to insure a viable community. City-dwellers also had to pay a disproportionate amount of taxes for education because before borough government adoption they paid city taxes for city schools and state taxes that financed rural schools.

The borough seemed to be the ideal unit of local government to fit the needs of Alaskans. Therefore, when Alaska's constitution was written, borough government was included. The borough is an excellent new concept in local government.

Montana Future Local Government

Montana has many innovations in local government it may look to for examples both within and outside its borders. And, many of the tools necessary to bring about modifications in local government to increase efficiency and still retain citizen participation are available to the state's government officials and citizens. In view of the changing conditions in Montana and the nation as a whole, local governments will probably find themselves required to change and modernize some operations in order to keep pace and provide the best services to Montana citizens. The job can be done; the object is better government.

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THE RESOURCES DEVELOPMENT INTERNSHIP PROGRAM

The preceding report was completed by a WICHE intern during the summer of 1971. This intern's project was part of the Resources Development Internship Program administered by the Western Interstate Commission for Higher Education (WICHE).

The purpose of the internship program is to bring organizations involved in community change and economic development together with institutions of higher education and their students in the West for the benefit of all.

For community and economic development organizations, the intern program provides the problem-solving talents of student manpower while making the resources of universities and colleges more available. For institutions of higher education, the program provides relevant field education for their students while building their capacity for problem-solving.

WICHE is an organization in the West uniquely suited for sponsoring such a program. It is an interstate agency formed by the thirteen western states for the specific purpose of relating the resources of higher education to the needs of western citizens. WICHE has been concerned with the community and economic health of the West for some time, since it bears directly on the well-being of western peoples and the future of higher education in the West. WICHE feels that the internship program is one method for meeting its obligations within the thirteen western states. In its efforts to achieve these objectives, WICHE appreciates having received the generous support and assistance of Dr. Roger Prior, Office of Economic Research, Economic Development Administration and of innumerable local leaders and community organizations, including the agency that sponsored this intern project.

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